

# Fight of the Century: Keynes vs. Hayek Round Two with lyrics

by [Michael Billy](#) on April 28, 2011

INTRO: John Maynard Keynes. F. A. Hayek Round Two. Round 2.0. Same economists. Same beliefs. New microphones. New Mustaches. Let's go. Let's go. Let's go.

KEYNES:

Here we are. Peace out, Great Recession.  
Thanks to me – as you see – we're not in a depression.  
Recovery. Destiny. If you follow my lesson.  
Lord Keynes. Here I come. Line up for the procession.

HAYEK:

We brought out the shovels and we're still in a ditch.  
And still digging. Don't you think it's time for a switch  
from that hair of the dog? Friend the party is over,  
the long run is here, it's time to get sober.

KEYNES:

Are you kidding? My cure works perfectly fine.  
Have a look, the Great Recession ended back in '09.  
I deserve credit. Things would have been worse.  
All the estimates prove it. I'll quote chapter and verse.

HAYEK:

Econometricians, they're ever so pious.  
Are they doing real science or confirming their bias?  
Their Keynesian models are tidy and neat.  
But that top down approach is a fatal conceit.

CHORUS:

Which way should we choose?  
More bottom-up or more top-down?  
The fight continues.  
Keynes and Hayek second round.  
It's time to weigh in.  
More from the top or from the ground?  
Let's listen to the basics  
Keynes and Hayek throwin' down

KEYNES:

We could have done better had only spent more.  
Too bad that only happens when there's a world war.  
You can carp all you want about stats and regressions.  
Do you deny that world war cut short the Depression?

HAYEK:

Wow. One data point and you're jumping for joy.  
The last time I checked wars only destroy.  
There was no multiplier. Consumption just shrank  
as we used scarce resources for every new tank.  
Pretty perverse to call that prosperity.  
Ration meat. Ration butter. A life of austerity.  
When that war spending ended, your friends cried disaster.  
Yet, the economy thrived and grew faster.

KEYNES:

You too only see what you want to see.  
The spending on war clearly goosed GDP.  
Unemployment was over, almost down to zero.  
That's why I'm the master. That's why I'm the hero.

HAYEK:

Creating employment is a straight forward craft  
when the nation's at war and there's a draft.  
If every worker were staffed in the army and fleet  
we'd have full employment and nothing to eat.

[CHORUS]

HAYEK:

Jobs are a means, not the ends in themselves.  
People work to live better, to put food on the shelves.  
Real growth means production of what people demand.  
That's entrepreneurship, not your central plan.

KEYNES:

My solution is simple and easy to handle.  
It's spending that matters. Why's that such a scandal?  
Money sloshes through the pipes and the sluices.  
Revitalizing the economy's juices.  
It's just like an engine that's stalled and gone dark.  
To bring it to life we need a quick spark.  
Spending's the life blood that gets the flow going.  
Where it goes doesn't matter. Just Get Spending  
Flowing.

HAYEK:

You see slack in some sectors as a general glut.  
But some sectors are healthy only some are in a rut.  
So spending's not free, that's the heart of the matter.  
Too much is wasted as cronies get fatter.  
The economy's not a car. There's no engine to stall.  
No expert can fix it. There's no "it" at all.  
The economy is us. We don't need a mechanic  
Put away the wrenches, the economy is organic.

[CHORUS]

KEYNES:

So what would you do to help those unemployed?  
This is the question you seem to avoid.  
When we're in a mess, would you have us just wait,  
doing nothing until markets equilibrate?

HAYEK:

I don't wanna do nothing, there's plenty to do.  
The question I ponder is who plans for whom.  
Do I plan for myself or leave it to you?  
I want plans by the many, not by the few.  
Let's not repeat what created our troubles.  
I want real growth not a series of bubbles.  
Stop bailing out losers, let prices work.  
If we don't try to steer them they won't go berserk.

KEYNES:

Come on are you kidding? Don't Wall Street  
gyrations  
challenge your world view of self regulation?  
Even you must admit that lesson we've learned  
is more oversight is needed or else we'll get burned.

HAYEK:

Oversight? The government's long been in bed  
with those Wall Street execs and the firms that  
they've bled.  
Capitalism is about profit and loss.  
You bail out the losers there is no end to the cost.  
The lesson I've learned is how little we know.  
The world is complex, not some circular flow.  
The economy is not a class you master in college,  
to think otherwise is the pretense of knowledge.

[CHORUS]

KEYNES:

You've get on your high horse and you are off to the  
the races.  
I look at the world on a case-by-case basis.  
When people are suffering I roll up my sleeves  
and do what I can to cure our disease.  
The future's uncertain, our outlooks are frail.  
That's why free markets are so prone to fail.  
In a volatile world we need more discretion  
so state intervention can counter depression.

HAYEK:

People aren't chess men you move on a board  
at your whim, their dreams and desires ignored.  
With political incentives, discretion's a joke.  
Those dials are twisting; just mirrors and smoke.  
We need stable rules and real market prices  
so prosperity emerges and cuts short the crisis.  
Give us a chance so we can discover  
the most valuable ways to serve one another.